

**Maine Revised Statutes**  
**Title 5: ADMINISTRATIVE PROCEDURES AND SERVICES**  
**Chapter 421: GENERAL PROVISIONS**

**§17154. ADMINISTRATION OF FUNDS**

**1. Custodian.**

[ 2007, c. 249, §16 (RP) .]

**2. Budget estimates.** The board shall submit budget estimates of contributions required to fund benefits for state employees and teachers to the State Budget Officer in accordance with section 1665, except that after July 1, 1995, the board may not submit estimates of contributions required to pay premiums for health insurance for retired state employees and retired teachers.

[ 1995, c. 368, Pt. G, §7 (AMD) .]

**3. Combination or elimination of funds.** On the advice of the actuary of the retirement system, the board may combine or eliminate all or any parts of the funds set forth in this subchapter, except that any combination or elimination may not impair the actuarial valuations.

[ 1985, c. 801, §§5, 7 (NEW) .]

**4. Payment upon vouchers.**

[ 2007, c. 249, §17 (RP) .]

**5. Payment of employer charges for state employees.** For state employees, on every payroll from which retirement contributions are deducted or picked up, the State Controller shall cause a charge to be made to each department of the State in order to pay employer costs.

A. The charge shall be a percentage, to be predetermined by the actuary and approved by the board, of the total earnable compensation of members appearing on the payroll of each department. [1987, c. 739, §§5, 48 (AMD) .]

B. The amount or amounts shall be credited to the appropriate funds as listed in this subchapter. [1985, c. 801, §§5, 7 (NEW) .]

[ 1987, c. 739, §§5, 48 (AMD) .]

**6. Payment of employer charges for teachers.** For teachers, percentage rates to be predetermined by the actuary and approved by the board must be applied to the total earnable compensation of members covering the most recent school year preceding the preparation of the biennial budget.

A. The resulting amount must be appropriated and credited to the appropriate funds. [2007, c. 240, Pt. U, §6 (AMD) .]

B. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement programs applicable to those teachers whose funding is provided from federal grants or through federal reimbursement must be paid by local school systems from those federal funds. [2007, c. 491, §85 (AMD) .]

C. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement program applicable to those teachers who are permitted to continue to accrue service credit while on a one-year leave of absence and participating in the education of prospective

teachers by teaching and supervising students enrolled in college-level teacher preparation programs in this State must be paid from funds provided by the college employing the teacher during that year. [2007, c. 491, §85 (AMD).]

D. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement program applicable to a teacher who is permitted to continue to accrue service credit while on a leave of absence and serving as President of the Maine Education Association must be paid from funds provided by the Maine Teachers Association. For purposes of this paragraph, in computing the employer cost, "earnable compensation" means the amount that the teacher would have earned if the teacher had remained in a teaching position. [2007, c. 491, §85 (AMD).]

E. Notwithstanding this section, the employer retirement costs and administrative operating expenses related to the retirement program applicable to those teachers whose funding is provided directly or through reimbursement from private or public grants must be paid by local school systems from those funds. "Public grants" does not include state or local funds provided to school administrative units under Title 20-A, chapters 315 and 606-B. [2007, c. 491, §85 (AMD).]

F. Notwithstanding this section, effective September 1, 1993, the employer retirement costs and administrative operating expenses related to the retirement program, less the unfunded liability, that are applicable to a teacher who is permitted to continue to accrue service credit while on released time and serving as president of a recognized or certified collective bargaining agent representing teachers must be paid from funds provided by the collective bargaining agent or school administrative unit. For purposes of this paragraph, in computing the employer cost, "earnable compensation" means the amount that the teacher would have earned if the teacher had remained in a teaching position. [2007, c. 491, §85 (AMD).]

G. Notwithstanding this section, beginning in fiscal year 2013-14, the employer retirement costs that are applicable to the normal cost of retirement for a teacher must be included in the total allocation in accordance with Title 20-A, chapter 606-B for the school administrative unit that employs the teacher. [2013, c. 368, Pt. C, §1 (NEW).]

H. Notwithstanding this section, beginning in fiscal year 2013-14, the employer retirement costs and administrative operating expenses related to the retirement programs applicable to those teachers employed by school administrative units, as defined in Title 20-A, section 1, subsection 26, whose funding is provided from local and state funds must be paid by local school administrative units. [2013, c. 368, Pt. C, §1 (NEW).]

I. Notwithstanding this section, beginning in fiscal year 2013-14, the employer retirement costs and administrative operating expenses related to the retirement programs applicable to those teachers employed by private schools, as defined in Title 20-A, section 1, subsection 22, must be paid by the private school. [2013, c. 368, Pt. C, §1 (NEW).]

[2013, c. 368, Pt. C, §1 (AMD).]

**7. Payment of employer charges for participating local district employees.** Employer charges for participating local district employees are governed by sections 18301 to 18303.

[1985, c. 801, §§5, 7 (NEW).]

**8. Transfers among funds.** When considered necessary by the executive director for the efficient administration of the retirement system, he may make transfers among the various funds of the system set forth in this subchapter in accordance with accepted accounting and actuarial principles.

[1987, c. 256, §5 (NEW).]

**9. Improper application of statutes.** Notwithstanding the other provisions of this section, additional actuarial and administrative costs resulting from omissions or misrepresentations by an employer as to a member's earnings, service or service credits or from improper application of retirement system statutes

or rules regarding earnings, service or service credits must be charged to and paid by the employer that omitted information, provided misinformation or improperly applied the statutes or rules, unless the omission, misrepresentation or improper application results from erroneous information provided by the retirement system. The employer is liable for amounts not recovered from the retiree and for costs incurred by the retirement system in resolving problems caused by the employer's actions and in addition may be subject to administrative fees, penalties and interest under section 17105, subsection 5. For purposes of this subsection, "employer" means any department of State Government, school administrative unit or participating local district.

[ 1993, c. 595, §5 (AMD) . ]

**10. Payment of additional actuarial costs incurred by the retirement system due to early retirement incentives.** Notwithstanding the other provisions of this section, additional actuarial and reasonable administrative costs that result from the early retirement of a member offered a retirement incentive by an employer must be paid by the employer that offered and provided the incentive pursuant to section 17159. For purposes of this subsection, "early retirement" has the same meaning as in section 17159, subsection 1.

[ 1995, c. 541, §2 (RPR) . ]

**11. Payment of actuarial cost of excess increase in earnable compensation.** Notwithstanding the other provisions of this section, the employer may pay to the retirement system the cost of the actuarial liability resulting from any increase in earnable compensation for any year within the 3-year period used in determining average final compensation that exceeds the prior year's earnable compensation by more than 5% or, if it would result in a lesser additional actuarial liability, any increase in earnable compensation over a total increase of 10% during the 3-year period. The retirement system shall calculate the cost of the additional actuarial liability for each member when calculating the retirement benefit for that member at retirement. The cost must be paid in accordance with this subsection.

A. For state employees, the State Controller shall establish an account from which payments required by section 17001, subsection 13, paragraph C must be made. At the time any collective bargaining agreement is funded, funds must be appropriated to this account to pay for the anticipated cost of any increases over the limits established in section 17001, subsection 13, paragraph C that may result from the provisions of that agreement. When the additional actuarial liability is incurred with respect to a retiring state employee, the retirement system shall bill the State Controller for the cost and the State Controller shall transfer to the retirement system the amount billed. [1993, c. 410, Pt. L, §27 (NEW) . ]

B. For teachers, the cost must be paid by the school administrative unit that provides an increase over the limits established in section 17001, subsection 13, paragraph C. If the school administrative unit has agreed to pay the cost of the additional actuarial liability, the retirement system shall bill the school administrative unit for the cost, which must be paid by the school administrative unit within 60 days of its receipt of the bill. If the retirement system does not receive payment within 60 days, the system shall notify the State Controller, who shall immediately reduce the school administrative unit's general purpose aid by the amount billed plus interest applied as of the 60th day and transfer the total amount of the reduction to the retirement system. If the general purpose aid payable at the time to the school administrative unit is insufficient to pay the entire amount of the reduction, general purpose aid payable to the school administrative unit in the future must be reduced until the entire amount of the reduction, plus any additional accrued interest, has been transferred to the retirement system. [1993, c. 410, Pt. L, §27 (NEW) . ]

C. The retirement system shall provide information with the bill to the employer stating the basis on which the cost billed was calculated and showing the calculations. If the State Controller or school administrative unit questions the cost, its basis or the calculations, the retirement system shall promptly respond and, if necessary, meet with the State Controller or school administrative unit to resolve any dispute. [1993, c. 410, Pt. L, §27 (NEW) . ]

This subsection does not apply to excess increases resulting from compensation paid prior to July 1, 1993, from compensation paid in accordance with an individual employment contract executed prior to July 1, 1993 or collective bargaining agreement executed or ratified in its final form by final vote of one party to the agreement prior to July 1, 1993 for the initial term of that contract or agreement or from other action by the governing body of the school administrative unit in effect on July 1, 1993. In addition, this subsection does not apply to increases granted to state employees during fiscal years 1993-94 and 1994-95.

[ 1993, c. 580, §2 (AMD); 1993, c. 580, §3 (AFF) .]

#### SECTION HISTORY

1985, c. 801, §§5,7 (NEW). 1987, c. 256, §5 (AMD). 1987, c. 739, §§5,48 (AMD). 1989, c. 491, §2 (AMD). 1991, c. 360, §3 (AMD). 1991, c. 857, §1 (AMD). P&SL 1993, c. 67, §1 (AMD). 1993, c. 387, §A7 (AMD). 1993, c. 410, §§L26,27 (AMD). 1993, c. 482, §3 (AMD). 1993, c. 580, §2 (AMD). 1993, c. 580, §3 (AFF). 1993, c. 595, §5 (AMD). 1995, c. 368, §G7 (AMD). 1995, c. 462, §A14 (AMD). 1995, c. 471, §§2,3 (AMD). 1995, c. 541, §2 (AMD). 2003, c. 504, §B1 (AMD). 2005, c. 2, §D1 (AMD). 2005, c. 2, §§D72,74 (AFF). 2005, c. 12, §WW18 (AFF). 2007, c. 240, Pt. U, §6 (AMD). 2007, c. 249, §§16, 17 (AMD). 2007, c. 491, §85 (AMD). 2013, c. 368, Pt. C, §1 (AMD).

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